

THE INFLUENCE OF ORGANISATIONAL PRACTICES AND ROUTINES (SERVICE ORIENTED BUSINESS STRATEGY AND SERVICE TRAINING TO ORGANISATIONAL PERFORMANCE DRIVERS SERVICE ORIENTATION AND INTENTION TO LEAVE THROUGH EMPLOYEE ATTITUDES JOB SATISFACTION AND AFFECTIVE COMMITMENT IN FIVE-STARS HOTEL IN JAKARTA

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ABSTRACT

The background of this research was managers need to determine how organisational practices and routines influence service staff attitudes and behaviours and how the latter set affects organisational performance drivers. Service organisations can enhance their performance by putting in place strategies and practices that strengthen the service-oriented behaviours of their employees and reduce their intention to leave the organisation. The objective of this research was to investigate the effect of organisational practices and routines toward organisational performance mediated by employee attitudes in hotels. The design of this research applies to five hotels (five stars) in Jakarta and the questionnaires were spreaded away to 181 respondent/employees by using convenience sampling. The result of this research conclude that: a) Service oriented business strategy has a significant and substantial influence on service orientation. b) Service training did not have a significant direct effect on service orientation. c) Service training significantly influenced job satisfaction. d) Job satisfaction has a significant influence on service orientation. e) Job satisfaction has a significant influence on affective commitment. f) Affective commitment has a significant influence on intention to leave. g) Affective commitment has a significant influence on service orientation.

Keywords: *Affective commitment, intention to leave, job satisfaction, service oriented business strategy, service orientation, service training.*

INTRODUCTION

The success of management to manage the front-line employees or can also be called front-line staff, is very important in service organizations. Front-line staff connects an organization with its customers and consumers to make an assessment and evaluation of the quality of services provided by employees (Babin and Boles, 1998). The consequence is, behaviors and attitudes of employees who provide services leading (Employee Attitudes), are very important to obtain a positive assessment given by the consumer (Bienstock, De Moranville and Smith, 2003). The company's strategy and training (Organisational Practices and routines) influence the attitudes and Employee Attitudes (Gonzales and Gazaro, 2006) and therefore it is very important to understand the factors that influence the attitude of the company's employees, which then influence the behavior of consumers and enterprise employees (Organisational Performance Drivers) (Babin and Boles, 1998). Management, especially in the service industry should be able to understand what factors can influence the attitudes of employees in serving customers. Therefore it is necessary to further perform research on the relationship between corporate strategy in organizational practices and routines of the employee's behavior at the level of enterprise service strategy (organizational performance drivers). Listen Many things can be accountable for the background of research on the influence of Organisational Practices and routines to Organisational Performance Drivers. The most important can be linked to company performance. Service orientation attitude of employees can affect employee behavior, and behavior of these services has a positive effect on consumer assessment of service received (Homburg, Hoyer and Fassnacht, 2002). This research was formed from the assumption that service orientation at the company level affects the attitude of the employees who provide service orientation.

The above statement is directly or indirectly affected by the service training provided to employees. Further, intention to leave or exit of firms can be influenced by affective commitment to the company, which in turn is influenced by service training provided (Beatson, and Lings Gudergan, 2008). Under the declaration, the formulation of research problems can be described in the following research questions: (1) Is there any influence of service-oriented business strategy to service orientation of employees?; (2) Is there any influence on service orientation service training of employees?; (3) Is there significant influence from service training to employees' job satisfaction?; (4) Is there influence from employee job satisfaction on employee service orientation?; (5) Is there influence from employee job satisfaction on affective commitment of employees to the company?; (6) Is there any influence from employee affective commitment to the company to intentions to leave?; (7) Is there any influence from the company's employee affective commitment to service orientation of employees?

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Service oriented business strategy can influence attitudes and behavior of employees in providing service with a high quality. The result can provide an important role in creating a positive experience

from consumers against firms (Lytle, Hom and Mokwa, 1998; Yoon, Choi and Park, 2007). Company's ability to use a service oriented business strategy is an integral part of managing human resources within the firm (Berry, Gresham and Millikin, 1990). When companies use a service oriented business strategy, strategic decisions must be made (Homburg, Hoyer and Fassnacht, 2002), for service oriented business strategy is one key to success that can be used by the company (Lytle, Hom and Mokwa, 1998). In this study, service oriented business strategy can be defined as basic guides from various industrial activities such as policies, practices, and procedures the company, which aims to create and provide excellent service (Lytle, 1998). All of this is the responsibility of management to understand and improve the service oriented business strategy through vision, leadership, policies, practices, and procedures. When they are met as part of the company's service culture, the company has prepared itself to create and deliver service excellence and enhance customer value (Lytle and Timmerman, 2006).

Training is an activity designed to provide training to the participants by providing knowledge and skills needed to perform work. It can also be interpreted as a formal process to introduce new employees to the company, job and their work units. Training and development are a process that runs continuously and not just a moment process. New problems, new procedures, new equipment, knowledge and new positions always appear in a dynamic organization and management needs in the provision of instructions-instructions on the employees. The emergence of new conditions in the company encourages management to continue to pay attention and develop a continuous training program. The presence of employees who came in and out of transfer programs and promotions encourages management to develop employee training programs (Ranupandojo and Husnan, 2000). Corporate activity that may affect attitudes and behavior of employees is job training (service training) (Hart, 1994). Service training affects the importance of employee service approach with consumers and in particular the orientation of service (service orientation), (Chung and Schneider, 2002; Yoon, 2007). Service training also has a direct influence on job satisfaction (Hart, Heskett and Sasser, 1990; Tax and Brown, 1998). Job satisfaction is a development of what is perceived by employees about their jobs (Lytle and Timmerman, 2006).

Performance in a better service are performed by the employees when they are satisfied and responsible for their work, this will increase the company's expectations, and the employees will be given the power of management to conduct a "do whatever it stores" in meeting customer satisfaction. When management is willing to accept risks to satisfy consumers, authorized employees to serve will flourish. Management must be accompanied by investment in proper service training to equip employees to determine their area of responsibility (Lytle and Timmerman, 2006). To create service training and development, there should be a focus on service, performance appraisal must be associated with delivering service quality, and choice of service training should be focused on personality and service competencies. Altogether, the message given to employees through training of human resources must all be emphasized on the importance of service quality (Chung and Schneider, 2002). Locke (1976), said that job satisfaction is "a pleasurable or positive emotional state resulting from one's own appraisal of the job or of one's work experiences." Job satisfaction leads to positive or negative feelings of employees towards work (Odom, 1990), in other words, an evaluation of

the job. The relationship between job satisfaction and employees' attitude has been well known in general (Lok and Crawford, 2004).

The level of job satisfaction of employees towards their work environment in general has an influence on their attitude in serving (Lytle and Timmerman, 2006). Internal quality will create employee satisfaction (Internal quality drives employee satisfaction). Internal quality shows atmosphere or environment in which employees work, including procedures for recruitment, selection, development, rewards or sanctions to employees. Employees who are on a good internal quality, which is conducive environment, will create positive motivation to encourage them to work best for the interests of organizations, including the interests of their future (Jasfar, 2005).

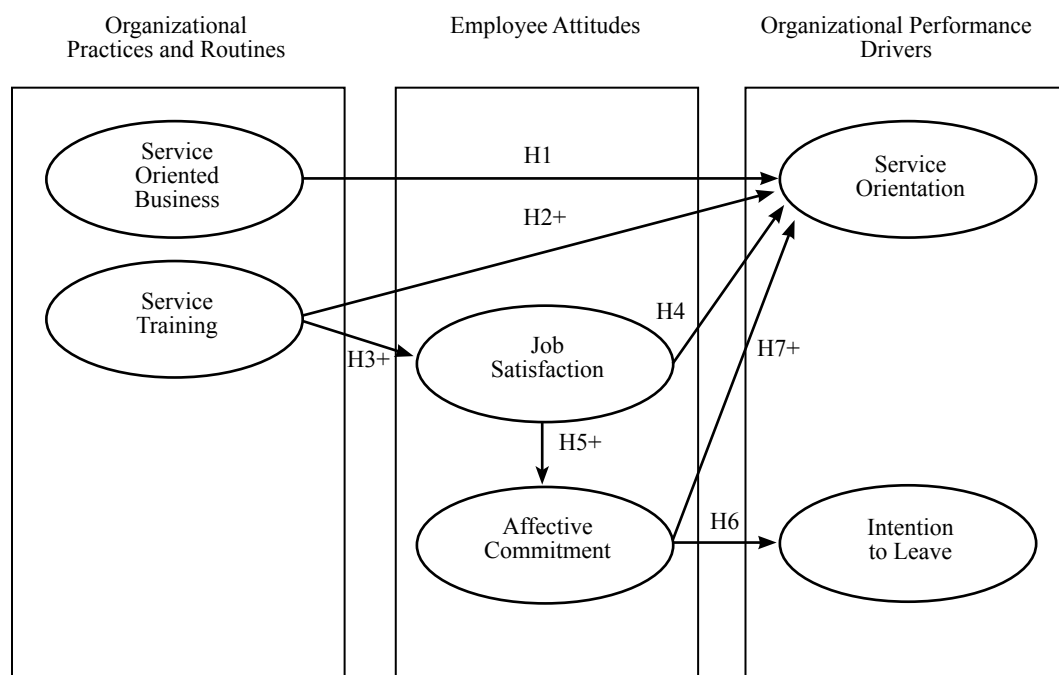
Employee satisfaction will encourage the creation of at least the level of work productivity and employee turnover (employee satisfaction drives retention and productivity). In many service companies, with frequent transfer of staff costs (the cost of labor turn over) will lower productivity and reduce customer satisfaction (Jasfar, 2005). In general, it can be said that business services are labor intensive, making it impossible to offer good service if the company does not have a qualified and reliable workforce, which means employees have a good motivation. At the time of assessment of the quality of services by consumers decrease, then the main cause is loss of quality manpower. Employee satisfaction: a measure of the quality of services provided by the company to its employees which are factors that determine the motivation of workers in performing tasks (Jasfar, 2005). The form is divided based on continuance commitment, affective, and normative commitment. Previous research has identified that the employee who demonstrates the level of job satisfaction is also generally to have more affective commitment to the company (Lok and Crawford, 2004; Fletcher and Williams, 1996). Affective commitment has a favorable influence on employee behavior, and comforts them in their work (Allen and Meyer, 1990). Employee commitment has a positive influence on their desire to keep working at the company (Yongcourt et al., 2007).

Affective commitment to the company will positively affect the service orientation conducted by the employee. Affective commitment is one important aspect of a culture that is owned company that has a strong positive relationship to employee training, service quality and customer satisfaction (Lytle and Timmerman, 2006). Affective commitment can lead to the desire to make short-term sacrifices to realize long-term benefits (Dwyer, Schurr and Oh, 1987). Hogan (1984) points out that service orientation of the individual level can be defined as "a set of Attitudes and Behaviours affecting the quality of Interaction between an Organisation's employees and its customers", in other words, service orientation is the basis of the tendency of individuals in being polite and friendly when providing services. In this research service orientation is defined as something that join a variety of basic policies, training, and procedures that the company intended to help and appreciate serving behavior that creates excellent service (service excellence) (Lytle, 1998). Service orientation has a positive effect on employee commitments to the company. Therefore, the employees work and build positive relationships and supportive team environment, provide better service (Lytle and Timmerman, 2006). Companies with a high level of service orientation experienced higher levels of financial performance in the form of return on assets and also the performance of products (product performance), including, service quality image in the marketplace. (Lytle and Timmerman, 2006).

Part of a service orientation that matters is the real incidence of meeting the service (actual service encounters). Companies with high performance have employees who feel a responsibility in creating more expectation when service encounters and they have the power of management to “do whatever it stores” in providing customer satisfaction (Lytle and Timmerman, 2006).

Because of the role of affective commitment, the employees still work at the company because they feel unable to leave. Commitment reflects the mind of employees to continue to live together with their company due to the costs and obstacles related to leave or resign from the company (Gundalch, Achrol and Mentzer, 1995). In other words, employees do not have much choice. Cost to stop or leave increased with time to find a job in the new company with the same quality (Allen and Meyer 1990) and these costs reduce intention to leave (Sager, Futrell, and Varadarajan, 1989). Commitment is not balanced to produce conflict, dissatisfaction, and opportunistic tendencies all of which can lead to a reduction of the exchange relationships that lead to intention to leave from employees. Anderson and Weitz (1992) expressed: “Asymmetriesn in commitment probably result in unsatisfactory relationships because the more committed party is vulnerable to opportunism by the less committed party. The less committed party is more willing to abandon the relationship and less willing to reciprocate sacrifices made by the committed party.

Figure 1: Conceptual Framework



Here the hypothesis formulation:

- H1 : The higher service-oriented business strategy the higher service orientation provided by the employee.*
- H2 : The higher service training provided by the company, the higher employee service orientation.*

- H3 : The higher service training, the higher employee job satisfaction.*
- H4 : The higher employee job satisfaction, the higher their service orientation.*
- H5 : The higher employee job satisfaction the higher employee affective commitment.*
- H6 : The higher employee affective commitment to a company, the smaller employees' intention to leave.*
- H7 : The higher the affective commitment of employees the higher service orientation from them*

METHODS

Service oriented business strategy (SOBS) was measured by asking the 6 (six) a statement that was developed by the Beatson, and Lings Gudergan (2008). Service Training (ST) was measured by asking the 6 (six) statements that were developed by Lytle et al. (1998).

Job Satisfaction (JS) was measured by asking a 4 (four) statements that were developed by Cammann, Fichman, Jenkins and Klesh (1998) Aryee, Fields, and Luk (1999). Affective Commitment (AC) was measured by asking 4 (four) a statements that were developed by Garbarino and Johnson (1999) Allen and Meyer (1990). Service Orientation (SO) was measured by asking seven (7) statements that were developed by Lytle al (1998) and Saura al (2005). Intention to Leave (IL) was measured by asking the 3 (three) statements that were developed by Singh (2000). Furthermore, the above statement from the 30 respondents were asked to respond to the statement-the statement based on 5 Likert scale (1 = strongly disagree to 5 = strongly agree).

Selected samples are employees of some companies five-star Hotel in Jakarta with the sampling method of non-probability sampling (non-probability sampling) based on convenience (convenience sampling). Withdrawal of the sampling method also uses a purposive sampling method that is based on the consideration of sampling in which samples are selected based on certain criteria. The correlation between each indicator of the total score has shown a strong correlation with the person of correlation (r-count) of the overall indicator variable that is almost close to the value 1 with scores ranging from 0.881 to 0.991. Reliability Test. It tests each construct used in this study using Cronbach's Alpha. According to Sekaran (2003:311), Cronbach's coefficient alpha that is quite acceptable is a value between 0.60 to 0.70 or greater. Data collected were analyzed using the research methods Structural Equation Method (SEM).

In SEM, the null hypothesis proposed is that the proposed model is no different from existing models in the population. In this case the goodness of fit measure the suitability of the actual or observed input matrix with those expressed in the model. If the model is not rejected (H_0 accepted), this means that the observed matrix in accordance with the expressed (predicted) in the model. If this happens does not mean that the researchers have proved that the proposed model is correct, but scientists have only been confirmed that the proposed model is an alternative that is received from a variety of possible models exist. So, fitness shows levels, not there or not. There are several ways that can be used to measure the level of fitness, namely the Good of Fit Index (GFI), Root Mean Square Residual (RMR, normed fix index, and normed chi square (Ghozali, 2005).

Table 1: Testing the Goodness-of-Fit Model

Measuring Goodness-of-fit	Acceptable Boundary	Value	Decision
p-value chi-square	0.05 or > 0.05	0,000	not good fit
GFI	> 0.90 or close to 1	0.415	not good fit
RMSEA	among 0.05 – 0.08	0.295	not good fit
AGFI	> 0.90 atau mendekati 1	0.307	not good fit
CFI	> 0.90 atau mendekati 1	0.625	marginal fit
Normed chi-square	Lower boundary: 1 Upper boundary: 2, 3, atau 5	1.767	not good fit

Based on Table 1 above, it is known that the absolute fit measure is not acquired. For the value p-value chi-square test can not be fulfilled, because the value p-value chi-square of 0.000 is less than 0.05, GFI with less than the recommended value of .90 (GFI = 0.415). Meanwhile the criteria based on the parsimonious fit measures, namely value of the normed chi-square of 16.67. Figures were obtained from the division between the chi-square = 5716.780 with DF = 343. Normed chi-square criteria do not meet the recommended requirements are among the lower limit 1 and limit of 5. Testing suitability of models can also be viewed based on criteria that evaluated the incremental fit measures of the value of AGFI = 0.307 and CFI = 0.625. AGFI values indicate less than the recommended value of 0.90 while the value of CFI showed good results (marginal fit). Thus, the overall structural equation model used is still acceptable, although not all criteria showed good results (good fit). If the test criteria have been met Incremental Fit Measures to further test the hypothesis can be done. Tests on the two proposed hypotheses were performed using the method of Structural Equation Modeling with Amos version 6.0 software assistance. Decision-making hypothesis testing is to compare the amount of p-value with significant level of 5% (alpha 0.05) and 10% (alpha 0.10):

1. If $p\text{-value} < \alpha$, then null hypothesis (H_0) rejected
2. If $p\text{-value} > \alpha$, then null hypothesis (H_0) failed to be rejected

RESULTS AND DISCUSSION

The result of calculation produces estimate standard of 0.197 with p-value service-oriented business strategy to service orientation of employees. 0,000. $P\text{-value} < \alpha$ (0.05), meaning that service oriented business strategy significantly influence employees' service orientation. These results are consistent with previous research (Beta T-value 0.458 and 3.503).

The result of calculation produces estimatannya standard of -0.084 with p-value service orientation training for employees at 0.281. $P\text{-value} > \alpha$ (0.05), means that training does not significantly influence employees' service orientation. Results of previous research also produced that there is no significant influence on this hypothesis (Beta T-value 0.104 and 0.712).

The result of calculation produces estimate standard of -0.084 with p-value service orientation training for employees at 0.281. $P\text{-value} > \alpha$ (0.05), meaning that training does not significantly

influence employees' service orientation. Results of previous research also produced that there is no significant influence on this hypothesis (Beta T-value 0.104 and 0.712).

The result of calculation produces estimate standard of 0.923 with p-value employees' job satisfaction on service orientation of employees 0,000. P-value $< \alpha$ (0.05), meaning that employee job satisfaction significantly influence employees' service orientation. These results are consistent with previous research (Beta T-value 0.380 and 2.252).

The result of calculation produces estimate standard of 0.927 with p-value jobs jobs sarisfaction employee against employee affective commitment to the company's 0,000. P-value $< \alpha$ (0.05), meaning that employee job satisfaction significantly influence employees' affective commitment. These results are consistent with previous research (Beta 0.767, and T-value 11.754).

The result of calculation produces estimate standard of 0.495 with p-value employees' affective commitment to the company on Intentions to leave 0.008. P-value $< \alpha$ (0.05), affective commitment means that employees at the company's significant effect on Intentions to leave. These results are consistent with previous research (Beta -0.520 and T-value 3.520).

The result of calculation produces estimate standard of 0.141 with p-value employees' affective commitment to the company to service-orientation of employees 0,009. P-value $< \alpha$ (0.05), affective commitment means that employees at the company's significant impact on service-orientation of employees. Results of previous studies also produce a significant difference on this hypothesis (Beta -0.053 and T-value 0.566).

CONCLUSION

Based on the analysis and discussion of the results can be concluded that the service oriented business strategy and job satisfaction have positive and significant impact on service orientation. Affective commitment variable has negative and significant influence on service orientation, while service training has no significant influence on service orientation. Job satisfaction is influenced by service training positively and significantly. Job satisfaction has positive influence on affective commitment, and affective commitment has significant and negative influence to employees' intention to leave.

Management company of five-star hotels are advised to make the work concept that is oriented to service (service oriented business strategy), clear and appropriate for use in the daily hotel operations, because service oriented business strategy greatly affect the services to be provided by the employee to the customer (service orientation). Management is also advised to make good and proper training continuously and provide opportunities in the professional development of employees. It is also recommended for management to give more attention to the service training provided. Because it is found in this research that affective commitment and service training have less influence on employees' service orientation.

Further research can be done in other service companies that can provide different perspectives on the different types of other companies. Moreover, it some other variables can be added such

as: corporate culture, society culture, learning, and commitment variables such as commitment and cognitive commitment to develop a theory of cognitive research which theoretically affect the existing.

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